

**STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
SANTA ANA REGION**

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|---------------------------------|---|---------------------------------------|
| In the matter of: |) | Complaint No. 01-98 (Revised) |
| |) | for |
| William Lyon Homes, Inc. |) | Administrative Civil Liability |
| 4490 Von Karman |) | |
| Newport Beach, CA 92660 |) | |
| |) | |
| Attn: Mr. Rick Brown |) | |

YOU ARE HEREBY GIVEN NOTICE THAT:

1. William Lyon Homes, Inc., is alleged to have violated provisions of law for which the California Regional Water Quality Control Board, Santa Ana Region (hereinafter Board), may impose liability under Section 13385(c)(2) of the California Water Code.
2. A hearing concerning this Complaint will be held before the Board within sixty days of the date of issuance of this Complaint. The hearing in this matter will be scheduled for the Board's regular meeting on December 7, 2001 at the City Council Chambers, 25541 Barton Road, Loma Linda, California. William Lyon Homes, Inc., or its representative will have an opportunity to appear and be heard, and to contest the allegations in this Complaint and the imposition of civil liability by the Board. An agenda for the meeting will be mailed to you not less than 10 days before the hearing date.
3. At the hearing, the Board will consider whether to affirm, reject or modify the proposed administrative civil liability or whether to refer the matter to the Attorney General for recovery of judicial civil liability.
4. The storm water runoff from the William Lyon Homes, Inc., construction site named Terraza at Vista Del Verde (site), located in the City of Yorba Linda, is regulated under the State's General Permit for Storm Water Runoff Associated with Construction Activities, Order No. 99-08-DWQ, NPDES No. CAS000002 (General Permit), WDID No. 8 30S314631.
5. William Lyon Homes, Inc., is alleged to have violated Provisions A.2 ("Discharges of material other than storm water to the storm sewer system... is prohibited"..), B.1 ("....discharges to the ground or surface water shall not adversely impact human health or the environment") and B.2 (....a SWPPP shall be developed and implemented ...) of the General Permit. William Lyon Homes, Inc., allowed discharges of non-storm water, which caused or threatened to cause pollution, contamination, or nuisance. William Lyon Homes, Inc., failed to implement appropriate Best Management Practices (BMPs) for the elimination or reduction of pollutants. Appropriate monitoring of the BMPs during the discharge was not performed, and William Lyon

Homes, Inc., discharged pollutants to waters of the United States from the construction site. Pursuant to Water Code Section 13385(a)(2), civil liability may be imposed for the preceding violations.

6. This complaint is based on the following facts:

a) According to the Site's Notice of Intent, construction commenced on August 30, 2001 on 10.5 acres and is projected to be completed on January 15, 2003.

b) On September 4, 2001, Board staff conducted a routine inspection of the site, and determined that a non-storm water discharge occurred without properly implemented and maintained BMPs to prevent the discharge of pollutants. These pollutants included sediment and stucco wash water. Staff observed water from a stucco operation flowing through sediment and empty cement bags, which had been dumped in the street gutter, and into an adjacent catch basin inlet. This sediment-laden water overwhelmed and bypassed the sandbags and passed through the filter fabric because of holes in the filter fabric. This storm drain system flows into the City of Yorba Linda storm drain system and eventually drains into Atwood Channel.

7. Section 13385(a)(2) provides that any person who violates waste discharge requirements shall be civilly liable. Section 13385(c) provides that civil liability may be administratively imposed by a regional board in an amount not to exceed ten thousand dollars (\$10,000) for each day the violation occurs. Additional liability, not to exceed \$10 per gallon, may be imposed for each gallon discharged in excess of 1,000 gallons. The observed volume of the unauthorized, non-storm water discharge was estimated to be less than 1,000 gallons.
8. Pursuant to Section 13385(c), William Lyon Homes, Inc., is civilly liable for the sum of \$10,000 (\$10,000 for one day of discharge). This unauthorized, non-storm water discharge occurred without adequate or properly maintained BMPs implemented to eliminate/reduce the discharge of sediment-laden water. The total maximum assessment is \$10,000 for the violations cited in Paragraph 6, above.
9. Regional Board staff spent a total of 2 hours investigating this incident (@\$70.00 per hour, the total cost for staff time is \$140.00). William Lyon Homes, Inc., saved approximately \$500.00 by not developing, implementing, and maintaining adequate erosion and sediment control BMPs. These factors were considered in assessing the penalty indicated in Paragraph 10, below.
10. Section 13385(e) specifies factors that the Board shall consider in establishing the amount of civil liability. After consideration of those factors, the Executive Officer proposes civil liability be imposed on William Lyon Homes, Inc., by the Board in the amount of \$5,000 for the violations cited above.

WAIVER OF HEARING

You may waive your right to a hearing. If you choose to do so, please sign the attached waiver and return it, together with a check or money order payable to the State Water Resources Control Board for the amount of civil liability proposed in Paragraph 10, above, to:

Santa Ana Regional Water Quality Control Board
3737 Main Street, Suite 500
Riverside, CA 92501-3348

If you have any questions, please contact Mark Smythe at (909) 782-4998 or Michael Adackapara at (909) 782-3238, or contact the Regional Board's staff counsel, Jorge Leon, at (916) 341-5180.

Date

Gerard J. Thibeault
Executive Officer

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WAIVER OF HEARING

I agree to waive the right of William Lyon Homes, Inc., to a hearing before the Santa Ana Regional Water Quality Control Board with regard to the violations alleged in Complaint No. 01-98. I have enclosed a check, made payable to the State Water Resources Control Board, in the amount of \$5,000. I understand that I am giving up the right of William Lyon Homes, Inc., to be heard and to argue against allegations made by the Executive Officer in this complaint, and against the imposition of, and the amount of, the liability proposed.

Date

for William Lyon Homes, Inc.